

29 JUL 1968

NOTE TO : C/BSD

Bill has done a nice job of analyzing this. So that there is absolutely no question about what we have done, I suggest that he draft a letter from me that not only covers the total exclusion we have agreed to, but also to include a comment that as noted in Mutual's letter of 3 June 1968, no change in brochure appears needed.



DD/Pers/SP

STAT

To. CH/IB

SENDER WILL CHECK CLASSIFICATION TOP AND BOTTOM

UNCLASSIFIED

CONFIDENTIAL

SECRET

OFFICIAL ROUTING SLIP

TO	NAME AND ADDRESS	DATE	INITIALS
1	C/BSO	2 July	ha
2	DC/BSO	2 July	ha
3	C/IB	17 Jul	WAB
4	DC/BSO	7/8	ha
5	C/BSO	18 July	ha
6	DD/Pers/SP		

ACTION	DIRECT REPLY	PREPARE REPLY
APPROVAL	DISPATCH	RECOMMENDATION
COMMENT	FILE	RETURN
CONCURRENCE	INFORMATION	SIGNATURE

Remarks:

The last communication I saw on this subject led me to believe that no change had to be made in the brochure. Consequently, why have we now received this? If, in fact, our brochure is all right as now prepared, let's not bother. On the other hand, if we have to make a change please confirm that the suggested change is consistent with the language currently in the Blue Cross brochure. Len and Bill will remember that in our meeting with Randall we agreed to have the same definition of a hospital as was then stated in the Blue Cross brochure.

#2 Comments Please

FOLD HERE TO RETURN TO SENDER

FROM: NAME, ADDRESS AND PHONE NO.

DATE

DD/Pers/SP
5E47 HQ

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SECRET

FORM NO. 237 Use previous editions

(40)

STAT

17 July 1968

MEMORANDUM TO: Chief, Benefits and Services Division/OP

FROM : Chief, Insurance Branch/BSD/OP

SUBJECT : Clarification of Association Benefit Plan Policy
(GMG 1799)

1. This memo is in response to your request for comments on Conway's letter of 26 June and the remarks by DD/Pers/SP on the routing slip that was attached to it. If it sounds like an exercise in confusion, it has been just that. I have attached copies of certain letters and memoranda from the files in order to establish a chronology of how I think this whole problem came about.

2. Several months ago a particular claim caused me to bring to Ben's attention the unpleasantness we go through, both for us and for the employee, whenever we receive a claim for treatment of attempted suicide. Such claims are few and far between, but when we got them, we were obliged by the terms of the policy to determine if they were related to a mental or nervous condition. In almost every case we could find some evidence of this which would permit us to consider the claim as a covered expense, but only after moments of embarrassment for the employee. Ben agreed that this was senseless and the underwriter was asked to delete treatment of attempted suicide from the exclusions of the policy. The underwriter was agreeable as evidenced by Conway's letter of 7 March (see attachment A). However, he stated that it should be handled administratively until renewal of the contract on 31 December 1968. Therefore, I was surprised to read Conway's letter of 29 April (see attachment B) which transmitted a copy of a formal amendment rider dealing with this matter. I was further concerned because I did not agree with the wording of the rider. It not only deleted the words "attempted suicide", but also deleted the words "(unless related to a mental or nervous disorder)" as an exception to the exclusion of alcoholism and drug addiction. I discussed this by telephone with Len and he suggested that I take it up with Conway at a meeting to be held a few days later in Ben's office. The meeting took place on 21 May and at that time it was learned that Ben had received correspondence from Mr. Ruddock of Civil Service Commission regarding removing our plan's exclusion of alcoholism and drug addiction. This was apparently why the definition of "hospital" also came up for discussion. Attachments C and D of this memo are copies of Memos for the Record which Ben wrote and which are now in Insurance Branch

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GROUP 1
Excluded from automatic
downgrading and
declassification

files. They indicate agreement by the underwriter to delete in total the exclusion on alcoholism, drug addiction, and self-inflicted injuries. Conway's letter of 3 June (see attachment E) gives a definition of "hospital" which differs little from our present definition (affixed to attachment E) and further states that our present definition is adequate. Attachment F is Ben's response, pointing out that no specific mention was made of total removal of the exclusion. This brings us up to Conway's 26 June letter about which you requested my comment. It enclosed a 17 June letter from Al Randall which agrees to a modification of the exclusion rather than its deletion. In my opinion, that modification is unacceptable. If it is intended solely to exclude charges of places specializing in the treatment of alcoholism, it is unnecessary because our present definition of hospital takes care of that. However, the modified exclusion could be interpreted to mean that treatment of alcoholism is covered only while the patient is in a "hospital" and this would defeat the purpose of our requesting complete deletion of the exclusion.

3. I think the whole matter should be resolved by a letter from Ben to Randall stating that:

a. It was our understanding that the exclusion pertaining to alcoholism, drug addiction, and attempted suicide was to be deleted in its entirety,

b. Because of this understanding, a total deletion of the exclusion was requested from the Civil Service Commission and they concurred,

c. The definition of "hospital" in the current brochure is sufficient to rule out any abuse of the plan through utilization of places existing solely for rest cures or withdrawal,

and

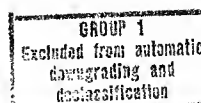
d. We request that the letter of understanding be rewritten to indicate total deletion of the exclusion pertaining to alcoholism, drug addiction, and attempted suicide, without any qualification.



Attachments:

As stated

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STAT

V. J. SKUTT
CHAIRMAN OF THE BOARD
D. D. ULFERS
PRESIDENT

HOME OFFICE OMAHA, NEBRASKA

Mutual
OF OMAHA



your good neighbor

MUTUAL OF OMAHA INSURANCE COMPANY

WASHINGTON, D.C., REGIONAL GROUP OFFICE
SUITE 1208, 1750 PENNSYLVANIA AVE., N.W.
WASHINGTON, D.C. 20006
298-8084

NORMAN C. CONWAY
MANAGER

March 7, 1968

President
Government Employees
Health Association
Post Office Box 463
Washington, D.C. 20044

Group Policy GMG 1799

Dear

In accordance with your request, Mutual of Omaha Insurance Company is agreeable to removing the exclusion dealing with charges resulting from treatment of attempted suicide, unless related to a mental or nervous disorder.

May I respectfully suggest that this change be handled administratively until the renewal date of the master contract on December 31, 1968, at which time the necessary contract and brochure changes will be made.

Sincerely,

Norman C. Conway

Norman C. Conway
Regional Manager

NCC:sak

**Mutual
OF OMAHA**



MUTUAL OF OMAHA INSURANCE COMPANY

your good neighbor

Master Contract

*Assn. Plan
Fed. Hdb.*

V. J. SKUTT
CHAIRMAN OF THE BOARD

D. D. ULFERS
PRESIDENT

HOME OFFICE OMAHA, NEBRASKA

WASHINGTON, D.C., REGIONAL GROUP OFFICE
SUITE 1208, 1750 PENNSYLVANIA AVE., N.W.
WASHINGTON, D.C. 20006

NORMAN C. CONWAY
MANAGER

1968 298 8084

*1. Ben
2. Bill B.*

April 29, 1968

PERSONAL & CONFIDENTIAL

Government Employees
Health Association
Post Office Box 463
Washington, D.C. 20044

Group Policy GMG 1799

Dear

I am enclosing two amendment riders Form #2315GH which deletes under the Exclusions, "attempted suicide", and Form #182MG-NN which incorporates the new 1968 Association Benefit Plan brochure into the master contract.

I have also enclosed fifty additional copies of rider #2315GH.

Please make the attached riders part of your master contract.

Sincerely,

N.C. Conway

Norman C. Conway
Regional Manager

NCC:sak
Encls.

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H&A MAST

AMENDMENT RIDER

This rider, effective January 1, 1968

is made a part of the Master Policy to which it is attached and is subject to all provisions of such policy that not in conflict with the provisions of this rider.

The following is agreed to:

The fifth item of the EXCLUSIONS provision of the policy [page 11 of Form BRI (Rev.) JAN. 1967] which read "Alcoholism, drug addiction, or attempted suicide (unless related to a mental or nervous disorder)" is hereby deleted in its entirety and the following is substituted in lieu thereof: "Alcoholism or drug addiction".

MUTUAL OF OMAHA INSURANCE COMPANY

Form 2315GH


President

This rider is worded wrong. It should have read :

substituted in lieu thereof: "Alcoholism or drug addiction (unless related to a mental or nervous disorder)"

AMENDMENT RIDER

This rider is attached to and made a part of Master Policy No. GMG-1799 and is subject to the provisions and conditions contained therein.

The effective date of this rider is January 1, 1968.

The policy to which this rider is attached is hereby amended as follows:

Paragraph 2 on the face of Master Policy Form 863MGM which reads:

HEREBY AGREES to pay, with respect to the protected persons insured hereunder, the benefits set forth in the brochure issued by the Civil Service Commission entitled ASSOCIATION BENEFIT PLAN

is amended to read:

HEREBY AGREES to pay, with respect to the protected persons insured hereunder, the benefits set forth in the brochure issued by the Civil Service Commission entitled ASSOCIATION BENEFIT PLAN as revised January 1, 1968

Dated: April 18, 1968

MUTUAL OF OMAHA INSURANCE COMPANY



President

Form 182MG-NN

MEMORANDUM FOR THE RECORD

1. On 14 May 1968, I called Norman Conway, Mutual of Omaha, and asked if we could be authorized to drop the exclusion as now stated in the brochure with respect to alcoholism, drug addiction, and self-inflicted injuries. He stated that since we are paying all of this anyway he saw no reason why we couldn't and also agreed with me that there should be no additional charge. He will check with the Home Office.

2. I then called Mr. Ruddock, Director, Bureau of Retirement and Insurance, and asked him if proper authorization could be obtained could we remove these exclusions effective immediately rather than wait for the next contract year. He stated that we could but we should formally request him to approve it.


DD/Pers/SP

STAT

CIB - for policy
file

27 MAY 1968

MEMORANDUM FOR THE RECORD

In a meeting with Mr. Randall, Mutual of Omaha, on 21 May 1968 he agreed to drop the total exclusion on alcoholism, drug addiction, and self-inflicted injuries. We will now present it to the Board of Directors for decision.



DD/Pers/SP

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11B
Policy
P. 14

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A "hospital" is an institution which provides over-night inpatient care, has diagnostic and therapeutic facilities under the supervision of a staff of physicians and twenty-four hour nursing service by registered graduate nurses, and is not, other than incidentally, a nursing house, or a place of rest, or for the aged, drug addicts or alcoholics.

V. J. SKITT
CHAIRMAN OF THE BOARD
D. D. ULLERS
PRESIDENT

HOME OFFICE OMAHA, NEBRASKA

NORMAN C. CONWAY
MANAGER

WASHINGTON, D.C., REGIONAL GROUP OFFICE
SUITE 1208, 1750 PENNSYLVANIA AVE., N.W.
WASHINGTON, D.C. 20006
228-8084

June 3, 1968

STAT
3

[Redacted] President
Government Employees Health Assn.
Post Office Box 463
Washington, D.C. 20044

STAT

Group Policy GMG 1799

STAT

Dear [Redacted]

Following our meeting of May 21, 1968 with Mr. Randall, Mr. Jones, [Redacted] you and I in attendance, Mr. Randall returned to Omaha and reviewed your program in light of its current experience.

As a result of that review, we are agreeable to making the following changes in the contract.

- 1) We would propose to change the definition of a hospital as follows: "A hospital is an institution which provides overnight inpatient care, has {full} diagnostic and therapeutic facilities under the supervision of a staff of doctors, and 24-hour nursing services by registered graduate nurses {(RN)}. The term 'hospital' shall not include an institution which is used principally as a convalescent home, rest home, nursing home, or home for the aged, drug addicts, or alcoholics".



I am informed by the Claim Department that the definition presently in the brochure is adequate to take care of alcoholics if you so desire and did not wish to change the brochure at this time.

- 2) I have discussed the matter of covering the expenses of a transplant donor where the donor is not insured elsewhere. If a donor is a covered member or a depen-

6 JUN 1968

Mr. Norman C. Conway, Manager
Washington, D. C. Regional Group Office
Mutual of Omaha Insurance Company
Suite 1215, 1750 Pennsylvania Avenue
Washington, D. C. 20006

Dear Mr. Conway:

Your letter of 3 June 1968 was used in our meeting with the GEHA Board of Directors this morning. I am enclosing a copy of my letter to the Director, Bureau of Retirement and Insurance which requests approval of one benefit change, i. e., full semi-private room and board coverage.

I am also enclosing a separate letter to the Director, BRI concerning our Plan's coverage for transplants and the removal of the present exclusion for alcoholism, drug addiction, and attempted suicide.

Please note that your letter of 3 June 1968 did not specifically cover removal of the exclusion for drug addiction and attempted suicide. You indicated in a conversation that this was an oversight and it is for this reason that I took the liberty of including these items in my letter to BRI.

I think it is important to also be certain of our agreement on the cost associated with transplant operations. Let's presume that the donee is a member insured under our Association Benefit Plan. Our understanding is that if the donor is not a member of our Plan and has outside insurance which will provide coverage for his operation, that coverage will be used first. If the donor does not have insurance which will provide coverage for the expenses involved, we will use the donee's participation in our Association Plan to pick up the cost of the donor's expenses. If both the donor and the donee participate in our Plan, we will treat the claims separately.

We very much appreciate the information contained in your letter of 3 June as well as the additional information supplied orally. I urge you, however, to supply us with the new insurance contract concept that we discussed with Mr. Randall. I foresee that we will have several consultations all directed toward the end of providing our policyholders with the finest plan available at the most reasonable cost and which also can be easily and economically administered.

Please let me know if you have any questions about this letter or the enclosures.

Very truly yours,



Enclosures

Distribution:

- 0 & 1 - Addressee
- ☒ - C/IB
- 1 - BSD Chrono
- 1 - Assoc. Benefit Plan

OP/DD/Pers/SP,  (5 June 1968)

STAT

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MUTUAL OF OMAHA INSURANCE COMPANY

V. J. SKUTT
CHAIRMAN OF THE BOARD

D. D. ULFERS
PRESIDENT


HOME OFFICE OMAHA, NEBRASKA

WASHINGTON, D.C., REGIONAL GROUP OFFICE
SUITE 1208, 1750 PENNSYLVANIA AVE., N.W.
WASHINGTON, D.C. 20006
298-8084

NORMAN C. CONWAY
MANAGER

June 26, 1968

PERSONAL & CONFIDENTIAL

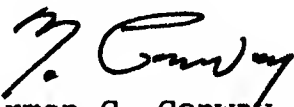

Government Employees Health
Association, Inc.
Post Office Box 463
Washington, D.C. 20044

Group Policy GMG 1799

Dear 

I am enclosing a letter of understanding signed by
Mr. A. W. Randall, Executive Vice President, Mutual
of Omaha, amending the restriction on alcoholism and
drug addiction effective June 1, 1968.

Sincerely,


Norman C. Conway
Regional Manager

NCC:sak
Encl.

Mutual
OF OMAHA



your good neighbor

MUTUAL OF OMAHA INSURANCE COMPANY

V. J. SKUTT
CHAIRMAN OF THE BOARD
D. D. ULFERS
PRESIDENT

HOME OFFICE OMAHA, NEBRASKA

June 17, 1968

Government Employees Health
Association, Inc.
P.O. Box 463
Washington, D. C. 20004

Group Policy GMG-1799

Gentlemen:

Effective June 1, 1968, Mutual of Omaha Insurance Company hereby agrees to modify the fifth item of the Exclusions of brochure form BRI (Rev.) Jan. 1968 to read "Treatment of alcoholism or drug addiction in an institution other than a hospital."

It is our understanding that this change will be incorporated in the brochure when it is next reprinted.

Sincerely,

A. W. Randall
Executive Vice President

njb